

## **A FIELD SURVEY ON THE CONSPICUOUS CONSUMPTION TREND IN TURKEY (CASE STUDY OF MUGLA PROVINCE)**

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### **Abstract**

People consume goods and services primarily in order to meet their physiological needs (food, drink, shelter, etc.) and safety needs (safety of life and property). However, some individuals in every society make consumption apart from these kinds of needs in order to show off and influence others. For some individuals, the demand for goods and services leading to conspicuous consumption, come ahead of the physiological and security needs. This study examines psychological satisfaction for the money spent on goods and services, which means "conspicuous consumption" and covers a field survey. In this survey that was conducted in Muğla, survey method was chosen as a method of data collection. Survey forms were conducted in Muğla province, Bodrum, Marmaris and Fethiye. The data that were collected were analyzed in SPSS program. In the case of Mugla which supports the work of pretentious nature of consumption, some judgments about the behavior of consumption were made by considering consumption styles in influencing lifestyle, consumer behavior and attitudes about the "status, prestige, luxury, rationality and the conscious consumer" variables.

**Key words:** *Consumption, conspicuous consumption, rationality*

**Field definition:** Consumer behaviours ( Management and Administration) in Economic Sociology ( Macroeconomics)

**Jel Classification:** D11, D10

### **1. INTRODUCTION**

Reasons of conspicuous consumption may be listed as economic factors that has an important function in society's system of values apart from psychological factors such as selling himself to others, proving himself and masquerading himself as richer. Modern world which is charming with its shining and colorful appearance

turns people heads by giving them unlimited opportunities and make them believe that they live in an endless display area.

This study is examined on the basis of the assumption which argues that in such a country (Turkey) that has a fragile economy the consumption's being more than the income may hypothecate the incomes that are being supposed to be earned in the future. The main starting point of this study is the conspicuous consumption theory in the Veblen's Leisure class theory. On the consumption behaviours directed to showing off, Veblen states opposite of the general utility theory in economics that a high priced product makes itself attractive by meeting the consumer's prestige need. (Özkan,2002). This products have the feature of visibility and noticeability in the society.

According to Veblen, the aim of consumption is never only satisfaction of biological needs. Veblen who asserts that consumption may be done with the aim of showing off bases relation between society and economy upon the class differentiation,too. In any society, consumption has an other function that is as important as showing social status of the consumer. ( Veblen,1902)

In this case study of Muğla province which supports studies on the conspicuous consumption some judgments about the behavior of conspicuous consumption were made by considering consumption styles in influencing lifestyle, consumer behavior and attitudes about the "status, prestige, luxury, rationality and the conscious consumer" variables.

## **2. METHOD OF THE RESEARCH**

In this study, "survey method" was selected. With the help of a pilot study applied to 110 persons in Mugla province, pre-information about pretentious consumption were gathered. "Factor analysis" was applied for both of the variables that determine the pretentious consumption and the elimination of irrelevant ones and collection of the same type of the data. When testing reliability of the survey with Cronbach's alpha, the variables that must be included in the original survey are determined with the factor analysis.

A total of 55 variables about the conspicuous consumption were determined on the basis of the information that was gathered from the previous research and literature review. " Group variables" were obtained by preferring variables whose significance level are 0.50 and above with the factor analysis. Thus, the group and the variables (propositions) within the group were determined. As a result of factor analysis, 12 variables were determined.

12 variables were determined by factor analysis. Since some of these variables measure the same subject and with the aim of using fewer variables in the survey, these variables were excluded from the propositional groups (the analysis) and the total variance and the measure of 0.50 as a variable is aimed to be increased gradually.

In this context, by either excluding or including 12 variables from different combinations to the model, the variables that remained above a ratio of 0.70 in the variance analysis were found. After performing the factor analysis, the number of propositions was reduced from 55 to 36.

When sampling scale of KMO (Kaiser-Meyer-Olkin) that measured the adequacy of samples was taken into consideration, the ratio was determined as 0.908. as the ratio was between the 0-50 -0.90, it was concluded that the adequacy of the sampling ratio was in great value. Besides the measurement value of Cronbach Alpha for the reliability test of the survey was determined as 0.904. accordingly it can be concluded that this survey is reliable.

Reliability Statistics		KMO and Bartlett's Test	
Cronbach's Alpha	N of Items	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	,908
,904	36	Bartlett's Test of Sphericity	Approx. Chi-Square
			8144,098
			df
			630
			Sig.
			,000

The results of this research were obtained by implementation of the questionnaire on sample mass. Survey forms were implemented to adults who were over the age of 18 (preferably with at least one income) in the province of Mugla and districts of Marmaris, Fethiye, Bodrum from June to September in 2008.

### **3. LIMITATIONS OF THE RESEARCH**

As the research is for determining the situation of the conspicuous consumption, it was highly regarded to choose questions meticulously. The questions were not asked to people directly about whether they did conspicuous consumption or not. Instead they were asked close ended questions that helped to have an idea about their tendencies and the data that were gathered were related to demographic ones.

#### **4. POPULATION AND SAMPLE IN THE RESEARCH**

The survey study that was used in area research was performed in Muğla province, Bodrum, Marmaris and Fethiye. According to datas that were gathered from Turkish Statistical Institute's 2007 identity address based population registration system , total 766.156 people settle permanently in Muğla province and counties. 766.156 people form the target population of the study.<sup>1</sup> In the study, getting 380 samples in 0,95 reliability and 665 samples in 0,99 reliability was enough. At this point, the research can be made by choosing a sample consists of 665 people. However; with the aim of increasing reliability of the research, 1100 survey forms are prepared to get more samples.

978 of the survey forms in practice were evaluated by excluding the survey forms in which main questions such as Gender, age, income were not answered or the questions were answered deliberately wrong ( choosing the same answer, some survey forms' being blank and some of them were not totally filled in)

#### **5. DATAS OF THE RESEARCH AND ANALYSIS**

The survey form consists of 2 parts. In the first part, there are questions about demographic, socio-economic and spending levels under the heading of personal information. In the second part, with the aim of explaining the meaning of consumption behaviour patterns, there are 5 point likert skale<sup>2</sup> questions according to standards ( variables) that are thought to effect conspicuus consumption. There are two different " group variables" that consist of the survey's proposition. In the first group; there are propositions about status and prestige, in the second group there are propositions about consumption and rationality.

In analysis of the datas, 13.0 version of SPSS (Statistical Packages for Social Sciences) was used. The datas that were transfered to SPSS data program recoded in the research and it was made eligible to make some statistical analysis.with the help of this program, frequency scatter tables and crosstabbs were prepared and

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<sup>1</sup> In a research, sample is name of a small group that includes some members that were chosen from a ground mass to be analyzed. (Dilek, 1999:110). In determining capacity of the sample, if number of the members is determined (Baş, 2001:87) the Formula  $n = \frac{N t^2 p q}{d^2(N-1) + t^2 p q}$  is applied. In this Formula, N symbolized the number of people, n symbolizes the number of people which will be taken for the sample, p symbolizes the frequency of analyzed case, q symbolized the time in which the analyzed case is not seen (1-p) t symbolizes the theoretical value in t table in a certain freeness degree and detected mistaking degree and d symbolizes the deviation ( $\pm$ ) that is aimed to be reached according to the frequency of the case

<sup>2</sup> 1:Totally disagree , 2:Disagree , 3:Neither agree nor disagree , 4:Agree, 5:Totally agree

One Way ANOVA tests were performed.in the study, demographic variables and propositions ( 13 propositions) were subjected to variance analysis. <sup>3</sup>

## 6. EVALUATION OF RESEARCH RESULTS

According to the datas that were acquired from demographic questions, %44.1 of 978 participants are women, %55.9 of them are men. Socio-economic findings of the research can be seen in Table 2.

Age	Number	%	Marital Status	Number	%	Personal Income TL	Number	%
18-24	69	7.1	Single	214	21.9	0-500	78	8.0
25-29	153	15.6	Married	693	70.9	501-1000	232	23.7
30-34	201	20.6	Divorced	41	4.2	1001-2000	402	41.1
35-39	174	17.8	Widow	18	1.8	2001-3000	97	9.9
40-49	255	26.1	Living apart	12	1.2	3001-5000	91	9.3
50-59	97	9.9				5001 <sup>+</sup>	78	8.0
60 <sup>+</sup>	29	3.0						
<b>Total</b>	<b>978</b>	<b>100.0</b>	<b>Total</b>	<b>978</b>	<b>100.0</b>	<b>Total</b>	<b>978</b>	<b>100.0</b>
Educational Status	Number	%	Time that has passed in habitual place of abode	Number	%	Monthly income of the family TL	Number	%
Primary school	66	6.7	1-3 year	112	11.5	0-500	19	1.9
Secondary school	56	5.7	4-5 year	84	8.6	501-1000	96	9.8
High school	260	26.6	6-10 year	163	16.7	1001-2000	274	28.0

<sup>3</sup> Levene's statistics was used in determining the homogen variance hypothesis. Aforesaid variance: generally hypothesized null and alternative hypothesis that belong to 13 variations that were taken to aforesaid variance analysis are as the following:Ho: there is no difference between related variance averages.H1: the related variance averages are different from eachother.

Associate degree	175	17.9	11-15 year	164	16.8	2001-3000	267	27.3
Bachelor's degree	322	32.9	16 /+	455	46.5	3001-5000	191	19.5
Post-graduate	99	10.1				5001 <sup>+</sup>	131	13.4
<b>Total</b>	<b>978</b>	<b>100.0</b>	<b>Total</b>	<b>978</b>	<b>100.0</b>	<b>Total</b>	<b>978</b>	<b>100.0</b>
<b>Job Status</b>	<b>Number</b>	<b>%</b>	<b>Job</b>	<b>Number</b>	<b>%</b>	<b>Habitual place of abode</b>	<b>Number</b>	<b>%</b>
Salaried-paid	594	60.7	Agriculture	13	1.3	Aegean	55	5.6
Per diem employee (temporary worker)	12	1.2	Industry	48	4.9	Black Sea	12	1.2
Employer	98	10.0	Construction	34	3.5	Central Anatolia	25	2.6
Self-employed	175	17.9	Trade	254	26.0	Mediterranean	15	1.5
Unwaged	55	5.6	Financial institutions	139	14.2	Eastern Anatolia	2	0.2
Retired	38	3.9	Community Services	430	44.0	Southeastern Anatolia	2	0.2
Other	6	0.6	Housewife	41	4.2	Muğla	841	86.0
			Retired	5	0.5			
			Other	14	1.4			
<b>Total</b>	<b>978</b>	<b>100.0</b>	<b>Total</b>	<b>978</b>	<b>100.0</b>	<b>Total</b>	<b>978</b>	<b>100.0</b>

In table 3; there are findings such as the place where the large part of the person's life passed, habitual place of abode, if available the second house and aim of using it, the amount of using credit card in monthly consumption expenditure and the frequency of changing automobiles and social class.

**Tablo 3: Dwelling Type , Social Class , the place where the large part of the person's life passed, the amount of using credit card in monthly consumption expenditure and the frequency of changing automobiles**

Dwelling type	Number	%	Social Class	Number	%	The place where the large part of the person's life passed,	Number	%
Shanty house	13	1.3	Lower	32	3,3	Village	17	1.7
Flat	580	59.3	Lower middle class	103	10,5	County	385	39.4
Detached house	307	31.4	Middle class	597	61,0	City	576	58.9
Luxurious house (villa)	65	6.6	Upper middle class	203	20,8			
Other	13	1.3	Super class	43	4,4			
<b>Total</b>	<b>978</b>	<b>100.0</b>	<b>Total</b>	<b>978</b>	<b>100.0</b>	<b>Total</b>	<b>978</b>	<b>100.0</b>
The reason of using second house	Sayı	%	The amount of using credit card in monthly Consumption expenditure	Sayı	%	The frequency of changing automobiles	Number	%
None	596	60.9	No credit card	21	2.1	None	250	25.6
Summer hous	100	10.2	Very few	223	22.8	Every year	12	1.2
Farm house	33	3.4	Less than half	“	16.8	2-3 year	94	9.6
Rental income	184	18.8	half	238	24.3	4-5 year	276	28.2
Other	38	3,9	More than half	241	24.6	5+ year	346	35.4
Summer and farm house	13	1.3	Almost all	91	9.3			
Summer house and	12	1.2						

rental income								
Farm house and rental income	2	0.2						
<b>Total</b>	<b>978</b>	<b>100.0</b>	<b>Total</b>	<b>978</b>	<b>100.0</b>	<b>Total</b>	<b>978</b>	<b>100.0</b>

Among the survey questions in the first group that forms research propositions, there are propositions about status and prestige ( Table 4), In the second group, there are propositions about consumption and rationality. In tables, there are variables that are meaningful in terms of the study.

<b>TABLE 4: Status, luxury and prestige propositions, attitudes about consumption behaviours and rationality propositions.</b>			
<b>Status, luxury and prestige propositions</b>	<b>Variables</b>	<b>F</b>	<b>P</b>
<b>1. I try not to use generic product.</b>	Age	1.434	0.199*
	Job	2.616	0.008*
	Personal income	2.488	0.030*
	Family income	3.252	0.006*
	Educational level	2.297	0.043*
	Social Class	5.577	0.000*
	Job Status	3.330	0.003*
<b>2. I prefer not to use imitations of accesorrieses and jewelery</b>	Job	2.586	0.009*
	Personal income	6.201	0.000*
	Educational level	2.428	0.034*
	Social class	6.330	0.000*
<b>3. I make an effort to be aware of damaging my prestige by the products i use.</b>	Job	1.984	0.045*
	Personal income	3.127	0.008*
	Age	2.828	0.010*
	Social Class	7.575	0.000*
<b>4.. Private and/or precious products are my favorites.</b>	Gender	7,873	0,005*
	Social Class	7.596	0.000*
<b>5. I never hesitate to get consumer credit to buy a high priced and brand product that i want to have a lot.</b>	Personal income	6.348	0.000*
	Family income	5.024	0.000*
<b>6.Having a luxurious house or a luxurious car require to attach importance to physical appearance</b>	Personal income	2.379	0.037*
<b>7.It is a habit of me to eat outside</b>	Personal income	20.744	0.000*
	Social class	13.425	0.000*
	Credit card use	4.686	0.000*

<b>8. I like buying Professional service support for my daily needs ( housekeeper, driver, assistant, cook, servant etc.</b>	Job	5.564	0.000*
	Personal income	13.111	0.000*
	Educational level	2.837	0.015*
	Job Status	6.270	0.000*
<b>Consumption and Rationality Propositions</b>			
<b>9.I do not only buy the products i need in shopping. My requests come before my needs.</b>	Gender	6.033	0.014*
	Job	4.660	0.000*
	Personal income	6.593	0.000*
	Social class	4.225	0.002*
	Job Status	4.738	0.000*
	The income except personal income	5.227	0.000*
<b>10.Although the products i have meet my need , i prefer buying innovative one.</b>	Gender	6.606	0.010*
	Age	2.275	0.035*
	Job	3.511	0.001*
	Personal income	6,555	0,000*
<b>11.It is not important that how much Money i spent but what for i spent</b>	Age	2.230	0.038*
	Job	3.210	0.001*
	Personal income	3.999	0.001*
	Family income	4.479	0.000*
	Social class	6.303	0.000*
	Job Status	4.574	0.000*
<b>12.Shopping with credit card leads to increase the consumption.</b>	Gender	17.406	0.000*
	Job	2.618	0.008*
	Personal income	3.827	0.002*
	Educational level	5.892	0.000*
	Job Status	3.891	0.001*
<b>13. I can not achieve to behave rational by caring my future income in my current consumption</b>	Gender	21.640	0.000*
	Credit Card use	4.761	0.000*

(\*)  $H_0$  hypothesis is rejected. There is a difference between averages of % 5 error margin.

Consumption has another function that is as important as showing social status of the consumer. With the aim of “ gaining appreciation and social status” that are among the elements which orient conspicuous consumption, People prefer using brand products via which he thinks he will be accepted by the society. At this point social class variance’s being meaningful even with 1 % margin error in the first proposition is remarkable. It is not a coincidence that people adopt consumption models of aforesaid class and aware of using generic product to be

able to say “ I’m one of you” in the social class that the person is in. This sentence also supports Uzgören’s discourse which states that conspicuous consumption occurs when people prefer brand,luxurious and fashionable products.

Well-paid people and people who regard themselves in middle, upper middle and super class generally prefer brand products, innovatory and even precious products. It is thought that there is status and prestige anxiety behind this choice. It is one of the results that gender and age variances are not effective ones in terms of the said proposition in the second proposition that strengthens the assertion claiming that the products of conspicuous consumption are also brand products

The 9. proposition is the sign of that consumers, as oppose to presence and heaviness of need, are lured into irrationalism via advertisements, campaigns etc. as a result of modern market’s strategies to increase selling and the variances in hand are meaningful even with 1 % error margin. These are important signs showing that the person’s total income, job and job status come before his needs in his purchasing decision.

As Baudrillard states (Baudrillard, 1995:89-102),now needs are defined by the media and the consumer who has not time to consider what he needs decides to purchase.it is precipitated that the habit of eating outside is the symbol of status and prestige in terms of the income and social class.

## **7. CONCLUSION**

As most of the participants regard themselves in middle class, the survey supports one of the arguments in the study that “ People in middle class attach more importance to conspicuous consumption”. Moreover, as high-income people and people who regard themselves in middle, upper middle and super class generally prefer brand , innovational and even precious products, the opinion that says “ there is status and prestige anxiety behind this choice. gets stronger. As Muğla is a small province and settled public ( especially dynasties) stay informed about eachother, consumption behaviours are oriented faster.

An asesment was made about middle class’s hurry to reach consumption patterns and consumption behaviour of the super class with the idea of people in low income group who are called as moderate in society can do conspicuos consumption as well as people in “super class” who are called as “ rich” in society can do conspicuous consumption. Hereby, it is concluded that although people are not placed in leisure class in Veblen’s “conspicupus consumption” theory that has been survived until today, lots of people spend more then their

needs and go to their limits by imitating the super class to show power in addition to status and prestige anxiety.

The result of an argument directed to determine ideas about precautionary motive is highly interesting. It supports Duesenberry's opinion that argues that people's consumption functions are not private but are related to other people's consumption functions and it also supports Veblen's opinions about the subject. Despite of the progression of lasting manner in the consumer's life style, the consumer use any new, innovational and more functional product as following fashion and it is an important sign that shows how the consumer moves away the rationality.

Another result of this research is that people behave so bravely in their consuming desicions by sparing no effort to not to get consumer credit. The subject mentioned here is that People's gender and rate of using credit card and while people are consuming today, they aware of rational behavior by caring their future income. One of the most important result of this research is that people decide in their consuming behaviours as in a hypothecating manner for their future income.

It is seen that people's preferring more innovational ones in comparison with presencing of a product that person has is directly related to income, family income and social place. No matter what the consumption pattern, when person's income and total family incomereach the sufficent level or when person have" those products" , it is ended up that the person regard it as a difference , a prestige element.

Consumer resigns himself to sanctions of modern marketing of his own free will with his irrational choice when he buys something with his credit card. Moreover, age, family income and social class variables are not effective ones in terms of the proposition that defends shoping with credit card increases spending.

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